

XL CAPITAL LTD
Form 4
October 07, 2004

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
XL CAPITAL LTD

(Last) (First) (Middle)

XL HOUSE, ONE BERMUDIANA ROAD

(Street)

HAMILTON, D0 HM 11

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

PRIMUS GUARANTY LTD [PRS]

3. Date of Earliest Transaction (Month/Day/Year)

10/05/2004

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___X___ 10% Owner
___ Officer (give title below) ___ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)

___ Form filed by One Reporting Person
X Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Shares, par value \$.08 per share	10/05/2004		C		14,478,763	A	<u>(1)</u> 14,478,763
Common Shares, par value \$.08 per share	10/05/2004		S		573,335 <u>(4)</u>	D	\$ <u>(5)</u> 13,905,428

See Footnote (2) (3)

See Footnote (3) (6)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Series A Conv. Voting Pref. Shares, par value \$.01 per share	(3) (7)	10/05/2004		C	3,000,000	09/29/2004	(8)	Common Shares, par value \$.08 per share	14,478,7

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
XL CAPITAL LTD XL HOUSE ONE BERMUDIANA ROAD HAMILTON, D0 HM 11		X		
XL Capital Principal Partners I, L.L.C. XL HOUSE ONE BERMUDIANA ROAD HAMILTON, D0 HM 11		X		
XL Insurance (Bermuda) Ltd XL HOUSE ONE BERMUDIANA ROAD HAMILTON, D0 HM 11		X		

Signatures

/s/ XL Capital
Ltd 10/07/2004

**Signature of
Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Reflects conversion of Series A Convertible Voting Preferred Shares, par value \$.01 per share.

Includes (i) 14,044,401 Common Shares, par value \$.08 per share, directly owned by XL Insurance (Bermuda) Ltd, a subsidiary of XL

(2) Capital Ltd and (ii) 434,362 Common Shares, par value \$.08 per share, directly owned by XL Capital Principal Partners I, L.L.C., a subsidiary of XL Capital Ltd.

(3) Reflects a one for eight reverse share split, effected immediately prior to the initial public offering of Primus Guaranty, Ltd.

Includes (i) 557,666 Common Shares, par value \$.08 per share, sold directly by XL Insurance (Bermuda) Ltd, a subsidiary of XL Capital

(4) Ltd and (ii) 15,669 Common Shares, par value \$.08 per share, sold directly by XL Capital Principal Partners I, L.L.C., a subsidiary of XL Capital Ltd.

(5) The reported price of \$13.50 per share does not reflect an underwriting discount of \$.945 per share.

Includes (i) 13,486,735 Common Shares, par value \$.08 per share, directly owned by XL Insurance (Bermuda) Ltd, a subsidiary of XL

(6) Capital Ltd and (ii) 418,693 Common Shares, par value \$.08 per share, directly owned by XL Capital Principal Partners I, L.L.C., a subsidiary of XL Capital Ltd.

(7) Each Series A Convertible Voting Preferred Share, par value \$.01 per share, was converted into Common Shares, par value \$.08 per share, by multiplying such Series A Convertible Voting Preferred Share by \$25.00 and then dividing such number by \$5.18.

(8) Not applicable.

Remarks:

Exhibit List

Exhibit 99--Joint Filer Information

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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